LOK SABHA

Friday, November 29, 1996/Agrahayana 8, 1918 (Saka)

(The Lok Sabha met at Eleven of the Clock)

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[English]

Coal Washeries

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*121. SHRIMATI SHEELA GAUTAM :

SHRIMATI BHAVNA BEN DEVRAJ BHAI CHIKHALIA :

Will the Minister of COAL be pleased to state :

(a) whether the Government have constituted a committee, namely, 'Integrated Coal Policy' under the Chairmanship of Shri K.S.R. Chari, former Secretary, Coal, to review the performance of coal washeries under the Central Coal Washeries Organisation;

(b) if so, the composition and terms of reference of the Committee;

(c) whether the Committee has submitted its report;

(d) if so, the recommendations made by the Committee; and

(e) the action taken by the Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b). Planning Commission had constituted a committee to formulate an integrated coal policy under the Chairmanship of Shri K.S.R. Chari. The composition of the Committee and its terms of references are given in the statement-I enclosed.

(c) to (e). The Committee has since submitted its report to the Planning Commission. The report of the Committee is under consideration of the Government. The major recommendations of the Committee are given in the Statement-II enclosed.

STATEMENT-I

The composition of the Committee was as follows :

1.	Shri K.S.R. Chari, former Secretary (Coal)	-	Chairman
2.	Secretary, Ministry of Power	-	Member
3.	Secretary, Ministry of Coal	-	Member
4.	Secretary, Ministry of Steel	-	Member
5.	Member (Transportation) Railway Board	-	Member
6.	Chairman, Coal India Ltd.	-	Member
7.	Chairman and Managing Director, National Thermal Power Corporation.	-	Member
8.	Shri R.G. Mahendru, former Chairman, Central Mine Planning & Design Institute Limited	-	Member
9.	Adviser (Energy), Planning Commission	-	Member Secretary

The Committee was to address the issues for an Integrated Coal Policy for adoption by the Government in the Ninth and Tenth Plan periods. The terms of reference of the Committee were as follows :

A. Broad assessment of demand for coal (coking and non-coking) and Lignite for different sectors of the economy in the Ninth and Tenth Plans periods (1997-2007).

(i) Power Sector

(a) Power Ministry's estimation of capacity additions with different fuels in power sector for Ninth and Tenth Plans (1997-2007).

(b) Evaluation of relative costs for thermal power generation with different fuels at different representative locations including at pitheads and load centres.

(c) The techno-economics of exercising least-cost options in the choice of deshaled/beneficiated indigenous coals vis-a-vis imported coals/natural gas/other fuels for power generation, based on delivered price per heat unit and its impact on plant performance and costs of generation, apart from the angle of security of supplies and environmental pollution.

(d) New and emerging clean coal technologies for power generation and the scope for their adoption in the Ninth and Tenth Plans.

(ii) Steel Sector

(a) What new and emerging technologies for steel making are under implementation-introduction of Coal Dust Injection, Partial Briquetting, Formed coke etc. Making use of non-coking coals—so as to reduce dependence on coking coal? What is the scope of their adoption in the Ninth and Tenth Plan periods?

(b) How does the Steel Sector view the performance of Coking Coal Washeries with particular reference to the quality and quantity of supplies of washed coal to the

Steel Plants? Have the Steel plants availed of all possible technological innovations, including improvement in the quality of input of raw materials other than coal?

(c) Is the performance of captive collieries (TISCO's) optimal, having regard to the reserves held by them?

(d) What are the pros and cons of use of imported vis-a-vis indigenous coals for steel making and the implications of imports on the Coal/Steel producers in terms of their commercial interests and the interest of the country?

B. Review of Resources nad Availability of Coal nd Lignite in the period in the Ninth and Tenth Plans 1997-2007) as made by CMPDI/NLC etc. and their dequacy or otherwise to meet the demands.

(a) Approach necessary for ensuring an optimal mix of exploitation of coal through 'open cast' and 'underground' mines for meeting the potential demand.

(b) Identification of optimal transportation modes (railways, roads, inland waterways, etc.) for supplying coal to different consumers and availability and augmentation requirements of the infrastructure facilities; strategies necessary for promoting an optimal mix.

(c) Environmental issues related to production and utilisation of coal.

C. Investment and related Issues.

(a) Broad estimate of the investments needed for production of coal, lignite, beneficiation and augmenting infrastructure/transport facilities for meeting the projected demand for coal by 2006-07; adoption of an appropriate policy package so as to attract private investment including from existing and potential customers booth in the private and public sector.

(b) Identification of factors responsible for the steadily rising costs to the coal consumer through frequent increases in pithead prices, apart from increases in the rates of royalty, railway freight etc.; strategies to overcome low productivity, high production costs, delays in sales realisation, accumulated losses and lack of consumer satisfaction; study of the need for restructuring the coal industry including issues relating to greater autonomy, removal of existing price and other controls, disbanding cross-subsidisation through CPRA and exposing the entire organisation to market-based competition;

(c) Regulatory measures necessary for promoting appropriate mining practices, for adoption of necessary environment management measures and for safeguarding consumer interests.

D. Any other issue in relation to above.

STATEMENT-II

Major recommendations of the Committee.

(1) An idependent agency at central level be created to step up exploration of coal and lignite resources. Adequate financial resources be made available to this agency to be raised through a surcharge levied on coal and lignite produced in the country. Exploration be done through public and private sector, both Indian and foreign, on a contract basis.

(2) All new coal and lignite blocks be offered on the basis of competitive bids in which national coal companies and private sector can participate. These can be allotted on the basis of criteria such as minimum transfer price, minimum recovery percentage etc. which need to be evolved. The developer of the mine be free to charge any price from the consumer on the basis of negotiations without reference to the administered prices.

(3) De-regulation of remaining prices of coal be undertaken in a phased manner.

(4) An autonomous regulatory body be set up to resolve price disputes between producers and consumers.

(5) Holding company approach be given a fresh look and each subsidiary of Coal India Limited be given the status of an independent company after price deregulation and other reforms are undertaken.

(6) Certain exemptions, from the notifications issued under Contract Labour (Regulation & Abolition) Act 1970, be given to the coal industry for it to become competitive and to reduce the investment requirements.

(7) Better utilisation of the washery capacity.

(8) Increasing domestic production of coking coal and washing of low volatile medium coking coals.

(9) Streamlining the procedure for release of forest lands for coal projects.

(10) Adoption of new technologies and more efficient utilisation of coal by the power and steel sectors.

(11) Locating new power stations at pithead, better exploitation of lignite resources in the country.

(12) Reduction in duty on import of coal.

(13) Creating additional rail and port capacities to facilitate transportation and import of coal.

(14) Increased washing of non-coking coal.

(15) Consider amendments in Coal Bearing Areas (Acquisition and Development) Act 1957 to allow acquisition of surface rights where underground mining is or has been undertaken.

[Translation]

SHRIMATI SHEELA GAUTAM : Mr. Speaker, Sir, I would like to know from the Hon'ble Minister the time since when the report of the Committee is under consideration of the Government and the reasons for delay. Whether the Government intends to lay this report on the Table of the House in the current session.

SHRIMATI KANTI SINGH : The Chari Committee Report has not been prepared by my Ministry but by the Planning Commission and it has already been laid in the Parliament. If you wish, you will get a copy. So far as its implementation is concerned, the recommendations of the Committee will have far-reaching impact on the coal industry and that is why, the report is still under consideration of the Ministry.

SHRIMATI SHEELA GAUTAM : By when the process is expected to be completed? It is already under consideration but whether the Government proposes to lay it on the table of the House?

SHRIMATI KANTI SINGH : No time-limit should be fixed for it as it can affect the coal industry. It is concerned with various Ministries so it is difficult to make any commitment in this regard.

SHRIMATI SHEELA GAUTAM : My second supplementary is that the reply given by the Hon'ble Minister to this question is not satisfactory. I would like to know that under the main recommendations mentioned in Annexure-II, what provision has been made by the Government for insurance coverage of the labourers working in the underground coal mines and whether this point has been included in the report of the Committee or not?

Secondly, I would like to know the number of machines in coal washeries presently out of order and the time by which the Government propose to repair them.

SHRIMATI KANTI SINGH : We have 19 coal washeries under B.C.C.L, C.C.L. Besides, 15 washeries are under C.I.L. and 4 washeries under SAIL and TISCO. Bharat Coking Coal washeries are in Bujhudih, Dughdha-I, Dughadha-2, Monidih, Sudamadih, Paathardih etc. and those of Central Coal Field Ltd. are in Kargali, Gidi in Kathara and in Swang etc.

[English]

SHRI SONTOSH MOHAN DEV : Mr. Speaker, Sir, you can reply because you know the subject.

[Translation]

SHRIMATI KANTI SINGH : Two coking coal washeries of C.I.L. are being set up in Madhubandh and Kedla and capacity of these units would be 2.33 Tonnes per year. The construction work of these washeries is expected to be completed by next year. So far as the insurance coverage is concerned, there is no such provision at present.

[English]

MR. SPEAKER : Shri Sontosh Mohan Dev.

SHRI NIRMAL KANTI CHATTERJEE : He is participating every day and more than once.

MR. SPEAKER : Not more than once.

(Interruptions)

SHRI SONTOSH MOHAN DEV : Sir, if he is so unhappy, I will sit down. Shall I?...*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE : I hope you will soon be answering as well as asking the questions ...*(Interruptions)*

SHRI SONTOSH MOHAN DEV : All right. Sir, the Ministry of Steel, the Ministry of Power and the Ministry of Railways are all suffering on account of bad quality of coal, the reason being that most of the coal mines do not have washeries. Two or three of them have washeries but they are in a very deteriorating condition. But what is the Report of the Committee besides that?

In view of the changed policy of mining and other things done by the previous and the present Governments, you can provide washeries to the coal mines or captive mines to the Ministry of Steel, Ministry of Power and others. I would like to know whether the Ministry is considering this aspect or not. There is a cause in your Ministry which does not want it. As a result, foreign materials are coming along with coal. So, I will put a very simple question to the hon. Minister. Of late, is there any change in the mind of the Ministry to adhere to the policy of the Government? I would also like to know whether the Ministry is considering to see that by private investment or investment from your Coal Ministry washeries are made up-to-date and better quality coal is supplied with better management.

The Ministry of Steel wants to take it up but the Ministry of Coal does not want to give. I do not know why there is no increase in the number of washeries. Shri Chidambaram has just now come from Japan. He knows, what is the quality of coal which Japan is getting from Australia. We cannot compete with them.

SHRI NITISH KUMAR : You were the Minister of Steel and the present Speaker was the Minister of Coal...*(Interruptions)*

SHRI SONTOSH MOHAN DEV : Even this time he tried but failed.

[Translation]

SHRIMATI KANTI SINGH : The hon'ble member has told about washeries. If the Minister of Steel wants that we should give these washeries to them then he can take them over...*(Interruptions)*

MR. SPEAKER : It does not happen.

SHRIMATI KANTI SINGH : In fact, this was the situation prevailing earlier. During Nationalisation, these were taken over. If the Minister wants to take them over...*(Interruptions)*

[English]

SHRI SONTOSH MOHAN DEV : Anyhow, I am happy that your mind is for that. When the Minister wants it, it can be done.

SHRI NIRMAL KANTI CHATTERJEE : Even when he is no longer the Minister of Steel, can it be done?

SHRI SONTOSH MOHAN DEV : The time is not far away.

[Translation]

SHRI THAWAR CHAND GEHLOT : Mr. Chairman, Sir, Chari Committee was constituted. The committee was asked to give its recommendations regarding formulation of an Integrated Coal policy for the Ninth and Tenth Five year plans. It had submitted its recommendations to the Government. How does the Government propose to implement the recommendations of Chari Committee during Ninth and Tenth Five year plans? Whether any meeting has been held with the Planning Commission in this regard?

SHRIMATI KANTI SINGH : The Chari Committee had submitted its report to the Planning Commission on 14th May. It was received by our Ministry in September. So far, we have held no meeting with the Planning Commission.

SHRI THAWAR CHAND GEHLOT : The Ninth Five Year Plan will commence from April' 1997. Very little time is left. What are you doing in this regard as these recommendations will have to be implemented in the Ninth and Tenth Five year plans.

SHRIMATI KANTI SINGH : As I have already told, we are considering it very seriously. At the moment, I can say nothing more.

PROF. RITA VERMA : Mr. Speaker, Sir, the report of Chari Committee is very comprehensive. Discussion is also going on for formulating a comprehensive coal policy. When I was going through it, I found that attention has been paid to the environment issue. Environmental issue is very important for my constituency, Dhanbad because subsidence has posed a great danger to the people of Jharia. However, much has not been mentioned in it about environmental aspect. It is worth considering that if the work of coal mining is done and there are underground mines then under the conditions laid down in this regard the Coal Companies should have left the mines as it were after stocking, but it does not happen. When there was a danger of subsidence in Jhansi, people started leaving their homes. It was after their exodus that your people were seen completing the formalities by installing wooden poles and bamboos there. They had already made arrangement for it. People have complained that as per the versions of B.C.C.L. authorities, they were not taking up mining work in those areas where there was more subsidence because one S.D.L. machine, which had been entrapped in that area was found under a house. It show that mining was being done there. Will a comprehensive inquiry be ordered into the fact that how far the policy declared in regard to environmental Control and subsidence is implemented and to what extent they give wrong statements?

SHRIMATI KANTI SINGH : The hon'ble Member has demanded investigation into this aspect. I shall get an inquiry conducted into it.

Financing Deficit

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*124. SHRI VIJAY PATEL :
SHRI ANNASAHIB M.K. PATIL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have been getting financial support from the Reserve Bank of India to meet their annual financial deficit;

(b) if so, the details thereof;

(c) whether a proposal to fix a limit on the above financial support is being considered by the Government to ensure better control of the R.B.I. over money supply; and

(d) if so, the details thereof and the benefits to be accrued therefrom?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). A statement is laid on the Table of the House.

STATEMENT

Government of India has been borrowing from the Reserve Bank of India through issue of ad hoc Treasury Bills for meeting its budgetary deficit. Upto 1993-94 there was no limit on such borrowings. The year-end limit for issue of such ad hoc Treasury Bills in the current financial year is Rs. 5000 crore.

An agreement was signed in September, 1994 to gradually phase out this system by 1996-97 as a measure of fiscal discipline and to enhance the flexibility of monetary policy conducted by the Reserve Bank. A detailed scheme for the implementation of the agreement is under consideration.